

2003 DRAFTING REQUEST

Bill

Received: **05/30/2003**

Received By: **mkunkel**

Wanted: **As time permits**

Identical to LRB:

For: **Scott Jensen (608) 264-6970**

By/Representing: **Brett Healy**

This file may be shown to any legislator: **NO**

Drafter: **mkunkel**

May Contact:

Addl. Drafters:

Subject: **Public Util. - electric**

Extra Copies: **RJM**

Submit via email: **YES**

Requester's email: **Rep.Jensen@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Withdrawal of transmission company from independent system operator or regional transmission company

Instructions:

Prepare Assembly companion bill to Sen. Cowles' request

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			06/05/2003 _____		06/05/2003	06/05/2003	

FE Sent For:

*none
needed*

<END>

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FE Sent For:

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Please jacket
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- MOK

05/30/2003 01:54:26 PM

Page 1

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/?	mkunkel	1 cjs 6/2/03	6/2/03	6/2/03			

FE Sent For:

<END>



MEMBER:
Environmental Resources Committee
Health, Utilities, Veterans and
Military Affairs Committee
Joint Committee for Review of
Administrative Rules

May 22, 2003

To: Mark Kunkel

From: Jennifer Halbur

Re: Drafting Request

Per our conversation, I have attached language Senator Cowles would like to have drafted.

Please contact me at 266-0484 if you have any questions.

Confidential
May 19, 2003

MISO Amendment

Create new sec. 196.485 (3m)(b)3., as follows:

“3. Upon a determination of the commission that such withdrawal is in the public interest, and subject to any other required regulatory approvals, withdraw from the Midwest independent system operator or any other independent system operator or regional transmission organization of which it is or becomes a member.”

Repeal sec. 196.485(3m)(a)1.e.



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-2780/1

MDK:.....

gjs

NOTE

today by
4:00pm

2003 BILL

Gen cat.

- 1 AN ACT ~~relating to~~; relating to: membership duties of transmission company responsible
2 for electric transmission in this state.

Analysis by the Legislative Reference Bureau

This bill allows the American Transmission Company (ATC) to withdraw as a member of the Midwest Independent System Operator (MISO). The ATC is a limited liability company created under state law that operates and maintains electric transmission facilities that were transferred to it by certain electric utilities. The MISO is an organization that is subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) and that facilitates electric transmission in a region of the country that includes this state.

Current law requires the ATC to apply ^{for membership in} and remain a member of the MISO for a period of time specified in an agreement conditionally approved by FERC that established the MISO. This bill allows the ATC to withdraw as a member of the MISO (or any similar organization), but only if the Public Service Commission (PSC) determines that the withdrawal is in the public interest. Also, the ~~withdraw~~ ^{e withdrawal} is subject to any approvals required under federal or state law.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 3 SECTION 1. 196.485 (3m) (a) 1. e. of the statutes is amended to read:

BILL

1 196.485 (3m) (a) 1. e. ~~Remain~~ Except as provided under par. (b) 3., remain a
2 member of the Midwest independent system operator, or any independent system
3 operator or regional transmission organization that has been approved under federal
4 law to succeed the Midwest independent system operator, for at least the 6-year
5 transition period that is specified in the agreement conditionally approved by the
6 federal energy regulatory commission that establishes the Midwest independent
7 system operator.

History: 1997 a. 204; 1999 a. 9, 75; 2001 a. 104.

8 **SECTION 2.** 196.485 (3m) (b) 3. of the statutes is created to read:

9 196.485 (3m) (b) 3. Subject to any approval required under federal or state law,
10 withdraw from the Midwest independent system operator or any other independent
11 system operator or regional transmission system of which the transmission company
12 is or becomes a member, if the commission determines that the withdrawal is in the
13 public interest.

14 (END)

organization

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2780/1dn

MDK/

cjs

Rep. Jensen

Senator Cowles:

This bill allows the ATC to withdraw from the MISO. However, I'm not sure what changes, if any, are necessary to the following statutes, which aren't affected by this bill:

1. Under s. 196.485 (3m) (a) 1. d., the ~~ATC~~ must transfer operational control of its transmission facilities to the MISO. If the ~~ATC~~ withdraws from the MISO, does it, or must it, regain operational control over its transmission facilities? Should the statute be revised to address this issue?

2. Under s. 196.485 (4) (am), certain electric utilities are required to become members of the MISO and transfer operational control over their transmission facilities to the MISO.

3. Under s. 196.485 (1m) (b) and (c), the exclusive duty to provide transmission service transfers from the ATC to the MISO when the MISO begins operations.

If you want any changes to the bill, please let me know.

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.state.wi.us

(which is an Assembly
companion to Senator Cowles' request)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2780/1dn
MDK:cjs:jf

June 2, 2003

Rep. Jensen:

This bill (which is an Assembly companion to Senator Cowles' request) allows the ATC to withdraw from the MISO. However, I'm not sure what changes, if any, are necessary to the following statutes, which aren't affected by this bill:

1. Under s. 196.485 (3m) (a) 1. d., the ATC must transfer operational control of its transmission facilities to the MISO. If the ATC withdraws from the MISO, does it, or must it, regain operational control over its transmission facilities? Should the statute be revised to address this issue?
2. Under s. 196.485 (4) (am), certain electric utilities are required to become members of the MISO and transfer operational control over their transmission facilities to the MISO.
3. Under s. 196.485 (1m) (b) and (c), the exclusive duty to provide transmission service transfers from the ATC to the MISO when the MISO begins operations.

If you want any changes to the bill, please let me know.

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.state.wi.us

D-NOTE

2003 BILL

Today
by 3:30LPS:
replace
current contents
of 2780/1 with
contents of
this draft

-2780/2

RM
NOT
RUN

Reger cat

- 1 AN ACT *to amend* 196.485 (1m) (b), 196.485 (1m) (c) and 196.485 (3m) (a) 1. e.;
- 2 and *to create* 196.485 (3m) (b) 3. of the statutes; **relating to:** powers and duties
- 3 of transmission company with responsibilities for electric transmission in this
- 4 state.

Analysis by the Legislative Reference Bureau

This bill allows the American Transmission Company (ATC) to withdraw as a member of the Midwest Independent System Operator (MISO). The ATC is a limited liability company created under state law that operates and maintains electric transmission facilities that were transferred to it by certain electric utilities. The MISO is an organization that is subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) and that facilitates electric transmission in a region of the country that includes this state.

Current law requires the ATC to apply for membership in and remain a member of the MISO for a period of time specified in an agreement conditionally approved by FERC that established the MISO. Also, current law specifies that the ATC has the exclusive duty to provide electric transmission service in this state until the MISO begins operations, except that the exclusive duty does not apply to electric transmission service provided by electric utilities that have not transferred their transmission facilities to the ATC. After the MISO begins operations, current law provides that the MISO has the duty, not the ATC.

This bill allows the ATC to withdraw as a member of the MISO (or any similar organization), but only if the Public Service Commission (PSC) determines that the

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withdrawal is in the public interest. Also, the withdrawal is subject to any approvals required under federal or state law. If the ATC withdraws from the MISO under the bill, the exclusive duty to provide electric transmission service in this state reverts to the ATC. As under current law, the exclusive duty does not apply to electric transmission service provided by electric utilities that have not transferred their transmission facilities to the ATC. Finally, the bill provides that if the withdrawal occurs, the ATC assumes any power or duty granted by state law before the withdrawal to the MISO.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 196.485 (1m) (b) of the statutes is amended to read:

2 196.485 (1m) (b) After beginning operations, the transmission company shall,
3 except for transmission service provided by an electric utility that has not
4 transferred its transmission facilities to the transmission company, have the
5 exclusive duty to provide transmission service in those areas in which transmission
6 facilities have been contributed. The duty under this paragraph shall terminate on
7 the date, as determined by the commission under sub. (2) (d), that the Midwest
8 independent system operator begins operations, except that the duty shall revert to
9 the transmission company if the transmission company withdraws from the Midwest
10 independent system operator under sub. (3m) (b) 3. If the transmission company
11 makes such a withdrawal, the transmission company shall assume any power or
12 duty granted by state law before the withdrawal to the Midwest independent system
13 operator.

14 **SECTION 2.** 196.485 (1m) (c) of the statutes is amended to read:

15 196.485 (1m) (c) After beginning operations, the Midwest independent system
16 operator shall, except for transmission service provided by an electric utility that has
17 not transferred control over its transmission facilities to the Midwest independent
18 system operator, and except as provide in par. (b), have the exclusive duty to provide

BILL

1 transmission service in the transmission area and shall ensure that each
2 transmission facility in the transmission area that is under its operational control
3 is planned, constructed, operated, maintained and controlled as part of a single
4 transmission system.

5 **SECTION 3.** 196.485 (3m) (a) 1. e. of the statutes is amended to read:

6 196.485 (3m) (a) 1. e. ~~Remain~~ Except as provided under par. (b) 3., remain a
7 member of the Midwest independent system operator, or any independent system
8 operator or regional transmission organization that has been approved under federal
9 law to succeed the Midwest independent system operator, for at least the 6-year
10 transition period that is specified in the agreement conditionally approved by the
11 federal energy regulatory commission that establishes the Midwest independent
12 system operator.

13 **SECTION 4.** 196.485 (3m) (b) 3. of the statutes is created to read:

14 196.485 (3m) (b) 3. Subject to any approval required under federal or state law,
15 withdraw from the Midwest independent system operator or any other independent
16 system operator or regional transmission organization of which the transmission
17 company is or becomes a member, if the commission determines that the withdrawal
18 is in the public interest.

19 (END)

d-note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2780/2dn

MDK:/.....

gs

Representative Jensen:

✓
This bill is identical to Senator Cowles' LRB-2779/3.

Mark D. Kunkel
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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2780/2dn
MDK:cjs:ch

June 5, 2003

Representative Jensen:

This bill is identical to Senator Cowles' LRB-2779/3.

Mark D. Kunkel
Senior Legislative Attorney
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